### VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM

Conference Call Meeting of the Board of Trustees **July 14, 2011** 

### **VSERS** Members present:

Kevin Gaffney, Chairperson, VSEA Representative (term expiring September 1, 2011) Jeff Briggs, VSEA Representative (term expiring September 1, 2012) – via telephone Thomas Hango, VSEA Alternate (term expiring September 1, 2011) – via telephone Allen Blake, VRSEA Alternate Representative – via telephone

Paul White, Jr., VSEA Representative (term expiring September 1, 2012) – via telephone Harold Schwartz representing Kate Duffy, Commissioner of Human Resources (ex-officio) - via telephone

Susan Zeller representing James Reardon, Commissioner of Finance & Management (ex-officio) Richard Johannesen, Governor's Delegate (ex-officio) – via telephone Elizabeth Pearce, VT State Treasurer

#### Members absent:

Roger Dumas, Vice-Chairperson, VRSEA Representative (term expiring September 1, 2012)

### Also attending:

Charly Dickerson

Cynthia Webster, Director of Retirement Policy and Outreach & Secretary to the Board Monica Chiren, Assistant to Cynthia Webster

The Chairperson, Kevin Gaffney, called the Thursday, July 14, 2011, meeting to order at 9:07 a.m., which was held in the Treasurer's Conference Room, Fourth Floor, 109 State Street, Montpelier, VT.

### ITEM 1: Approve the Minutes of:

• June 9, 2011

On motion by Mr. Briggs, seconded by Mr. Johannesen, the Board voted unanimously to approve the minutes of June 9, 2011, as submitted.

The Chairperson, Kevin Gaffney suggested moving Item #3 ahead of Item #2.

## **ITEM 2:** Review Charly Dickerson's benefit calculations

Ms. Webster inquired of the Board members if they all received the email she sent out this morning containing the memo from Mr. Dickerson and the Excel spreadsheet that contained several different calculations. Mr. Briggs and Mr. Schwartz indicated they had not received the email.

(Ms. Webster left the meeting to send the email to the Board members.)

The Chairperson, Kevin Gaffney suggested taking care of Item #2 while they were waiting for Ms. Webster.

## **ITEM 3**: Discuss/Act on disability retirement recommendations for:

Robert B. ButtsPamela DavisNew

On motion by Mr. Briggs, seconded by Mr. White, the Board unanimously voted to accept the recommendation of the MRB to allow the disability retirement for Robert B. Butts, without review.

On motion by Mr. Briggs, seconded by Mr. White, the Board unanimously voted to accept the recommendation of the MRB to allow the disability retirement for Pamela Davis, without review.

Mr. Blake indicated he had worked with Ms. Davis in the past and indicated he would abstain from the vote if he needed to. Mr. Gaffney indicated it was his choice. Mr. Blake voted aye.

# **ITEM 4:** Any other business to come before the Board

Ms. Pearce indicated that the participant fees have been reduced from 15 basis points to 12 basis points. Mr. White inquired whether the 27<sup>th</sup> pay period would provide an issue for participants of the Deferred Comp Plan if they were close to the limit that they are allowed to contribute according to the IRS rules. Ms. Pearce indicated that limit is on a yearly basis and that contributions are monitored so members do not exceed the limits prescribed.

(Ms. Webster returned to the meeting.)

### **ITEM 5:** Continuation of the Review of Charly Dickerson's benefit calculations

Ms. Webster apologized to the Board for the late dissemination of Mr. Dickerson's email. Ms. Webster walked the Board members through Mr. Dickerson's memo and Excel spreadsheet and indicated she agreed with the numbers he came up with. Ms. Webster indicated Option III would be the most accurate since it included the four days Mr. Dickerson actually worked in FY 2011 and the six days he worked in FY 2008 to make up the full ten-day pay period. Mr. Gaffney indicated that was the information that was not available at the last Board meeting. Mr. Johannesen inquired what was going to be the procedure moving forward. Ms. Pearce indicated staff would return to the Board with a proposal how they should proceed in the future. It was indicated there would be a limited number of members who would be affected by any changes made

On motion by Ms. Pearce, seconded by Mr. Briggs, the Board unanimously voted to accept as the most accurate benefit calculation for Charly Dickerson the Option III on the Excel spreadsheet as presented in the email forwarded from Cynthia Webster dated July 14, 2011.

Ms. Webster indicated there was a difference in how service credit is calculated among all three systems. The Board took exception to Mr. Dickerson's comment that he seemed like the only

one who was concerned about the way calculations are done creating a reduction in benefit. Mr. Dickerson apologized to the Board members if they took offense at his comment.

# **ITEM 6:** Continuation of Any other business to come before the Board

Ms. Webster indicated they are making sure the enrollment form can accommodate the new Roth 457 Plan, and that it should be available shortly. The Board discussed how the increase in the contribution rates is being related to the members.

(Ms. Zeller entered the meeting at this time.)

Ms. Webster indicated they are still working on the RFI relative to the secure foundation product. The Chairperson thanked Mr. Briggs for his conference report, and indicated he should give a quick overview at their next in-house meeting. The Board decided other conferences will also be discussed at the next meeting.

# **ITEM 7:** Adjournment

On motion by Ms. Zeller, seconded by Mr. Briggs the Board unanimously voted to adjourn at 9:40 a.m.

# **Next Meeting Date:**

The next scheduled VSERS meeting is an in-house meeting on August 11, 2011 at 9:00 a.m.

Respectfully submitted,

Cynthia L. Webster Secretary to the Board